

## Chapter 3.28

### SALE AND LEASE OF REAL PROPERTY

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#### **3.28.010 Authority to Sell Real Property.**

Whenever it appears to the City Council that it is for the best interest of the City and the people thereof that real property belonging to the City should be sold, the City Council shall sell and convey such property under the limitations and restrictions and in the manner hereinafter provided. In making such sales, the City Council may sell timber, mineral, or other resources on any land owned by the City separate and apart from the land in the same manner and upon the same terms and conditions as provided for the sale of real property. The City Council may reserve mineral rights and such other interests in such land as it deems appropriate and necessary. (Ord. 1353, 1977; Ord. 2124, 2007)

#### **3.28.020 Minimum Price of Real Property.**

The City Council shall fix a minimum price at which property may be sold. No sale shall be made unless at least the minimum price fixed by the Council is bid. The City Council shall, prior to setting the minimum price, obtain a professional appraisal of all parcels, the minimum price of which is five thousand dollars or more. (Ord. 1353, 1977; Ord. 2124, 2007)

#### **3.28.030 Competitive Bids for Sale of Real Property – Exception.**

The City Clerk shall advertise for written competitive bids on any sale of real property except:

- A. When selling to a government agency in which event the transfer shall be approved by the court or as otherwise provided by law;
- B. When the value of the property to be sold is less than two hundred dollars;
- C. When the real property is being traded or exchanged for real property and the appraised value of real property received by the City is equal to or greater than the appraised value of real property relinquished by the City, after compliance with the procedures in F below;
- D. When the real property is City real property owned in fee that was acquired for or used for street purposes and the property is being traded, transferred or sold and equal value can be obtained, the real property is not subject to vacation under Chapter 12.48 SMC, and compliance with the procedures in F below occurs; and
- E. When the Council setting forth the facts by resolution has declared an emergency to exist.
- F. A trade or exchange under C, or a trade, exchange or sale under D shall be commenced by an application by the proposed transferee, exchangee or purchaser. Fees for such application shall be set by Council resolution. The proposed trade, exchange or sale shall be placed on a Council agenda for preliminary Council consideration and authority to proceed. If authority to proceed is approved, the properties shall be

surveyed, and appraisals shall be obtained to determine the value of the real properties. The costs of such surveying and appraisals shall be borne by the applicant unless the Council authority to proceed specifies otherwise. Upon completion of surveying and appraisal, if at least equal value to the City is demonstrated, the City Council may approve a trade, exchange or sale and authorize the City Manager to sign such documents as are necessary to close the trade, exchange or sale subject to compliance with RCW 58.17 and Chapter 14.215 SMC. Property exchanged, traded, or sold under D that has no zoning or land use designation at the time of the transaction shall be regulated according to the same zoning or land use designation(s) as adopted for the abutting parcel. (Ord. 1353, 1977, Ord. 2285, 2015)

**3.28.040 Advertisement for Sale – Publication – Posting.** The City Clerk shall publish an advertisement for bids once each week for two successive weeks in the official City newspaper. The notice and posting as required by SMC 3.28.055 and dates of last publication must be at least ten calendar days before the final date for submitting bids. (Ord. 1353, 1977; Ord. 2124, 2007)

**3.28.050 Advertisement for Sale – Contents.** The advertisement for bids shall particularly describe the property or portion thereof proposed to be sold, shall designate the place and the time that the bids will be opened, shall set forth the minimum price established by the Council, and shall set forth the terms of sale. (Ord. 1353, 1977)

**3.28.055 Notice of Pending Sale.** All pending sales shall be advertised by notice posted on a public bulletin board in a

conspicuous place at the City Hall. In addition the notice of pending sale shall be mailed by first-class mail to all owners of property within 300 feet of the property to be sold according to the County Assessor's current records, and posted on the property at location(s) which the City Planner deems suitable to reach the attention of the public, on a sign(s) at least two feet by three feet in size. (Ord. 2124, 2007)

**3.28.060 Opening Bids for Sale – Rejection.** The bids shall be opened in public at the time and place stated in the newspaper publication. The City Council may reject any or all bids, or the bid for any one or more of the parcels of realty included in the advertisement for bids. (Ord. 1353, 1977)

**3.28.070 Deed to Real Property.** Upon the sale of any property, the City Clerk shall have the necessary instruments issued and executed as required by law. (Ord. 1353, 1977; Ord. 2124, 2007)

**3.28.080 Lease of City Real Property.** Real property belonging to and controlled by the City may be leased by the City; provided, that the following procedure shall be adhered to and followed:

- A. Land to be leased for a period of more than one year shall be appraised by an independent qualified appraiser to determine its market value.
- B. To further ensure lease conditions most favorable to the City and in conformity with the objectives of this chapter, a public offering shall be made prior to the time of entering into a lease agreement. Such public offering shall be made in a manner and mode which, under the circumstances of the particular parcel of land, would most reasonably ensure that a large percentage of potential lessees will be reached.

- C. The notice and posting requirements of SMC 3.28.055. (Ord. 2124, 2007)
- D. The City shall enter into a lease with the bidder offering the most favorable combination of leased revenue and development benefits. (Ord. 2124, 2007)
- E. The term of the lease shall be limited to the term of any first mortgage which may issue as security for the cost of development of the property, together with one option to renew the lease for the same, or a lesser period of time. In the event no mortgage is involved, the term of the lease shall be a maximum of fifteen years, with one option to renew the lease for the same or a lesser period of time. (Ord. 1353, 1977; Ord. 2124, 2007)
- F. At the discretion of the City Council, the requirements of paragraphs (A) through (E) above may be waived in the case of leases of City-owned real property to nonprofit organizations or corporations for the purposes deemed by the City Council to be in the public interest. (Ord. 1792, 1995; Ord. 2124, 2007)
- G. In the case of ground leases of less than 250 square feet, or where there is a combination of ground space lease of less than 250 square feet together with an air space lease, at the sole discretion of the City Council, any or all of the requirements of paragraphs (A) through (E) above may be waived by the City Council in its sole discretion. (Ord. 2206, 2011)